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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re TIERRA DEL REY, LLC,

Debtor,

AP MORTGAGE COMPANY,

Movant,

v.

TIERRA DEL REY, LLC, Debtor-in-
Possession,

Respondent.

Case No.: 15-04253-LT11

MW-1

DECLARATION OF PAUL
TACCONE IN SUPPORT OF AP
MORTGAGE COMPANY'S MOTION
FOR RELIEF FROM STAY

[11 U.S.C. §362 and Local Bankruptcy
Rule 4002-2(a)]

Property address:
3675 King Street
La Mesa, CA 91941

I, Paul Taccone, declare:

1. I have personal knowledge of all facts stated in this declaration and
can testify competently to these facts.

2. I am the president of AP Mortgage Company, Inc., a

1 California corporation, and the Movant in this proceeding. I have been authorized
2 by the Board of Directors of the corporation to make this declaration on Movant's
3 behalf. As Movant's president, I am also the custodian of its books, records, and
4 files ("Business Records") for its real estate-related investments. I have
5 personally worked on such Business Records, and the facts stated in this
6 declaration are true of my own knowledge, or I have gained knowledge of them
7 from the Business Records, the entries in which were made at or about the time of
8 the events recorded, and which are maintained in the ordinary course of Movant's
9 business at or near the time of the acts, conditions, or events to which they relate.
10 Any such Business Records were prepared in the ordinary course of Movant's
11 business by a person who had personal knowledge of the event being recorded and
12 had—or has—a business duty to accurately record such event. The Business
13 Records are available for inspection and copies can be submitted to this Court, if
14 requested.

15 3. These records show that:

16 a. Movant is the holder of a promissory note in the original
17 amount of \$1,200,000 ("Note") originally secured by a (i) a first priority deed of
18 trust encumbering unimproved real property in the City of San Diego commonly
19 known as 7108-7112 Lisbon Street, San Diego, CA 92114 ("Lisbon Property") and
20 (ii) 2nd priority deed of trust encumbering real property commonly known as 3675
21 King Street, La Mesa, CA 91941 ("King Property"). A true copy of the Note is
22 attached "***Exhibit A***" and made part of this declaration (the original Note is in my
23 possession, as Movant's custodian of records). A true copy of the deed of trust
24 which encumbers the King Property—and which more particularly describes the
25 King Property—is attached as "***Exhibit B***" and made part of this declaration.

1 Movant acquired the Note and these two deeds of trust, by written assignments
2 from National Loan Acquisitions Company dated April 3, 2015. True copies of
3 these assignments—which included an unconditional assignment of rents of the
4 King Property as described in subparagraph (d) below—are attached as “*Exhibit*
5 *C*” and made part of this declaration and were recorded in the Official Records of
6 San Diego County on April 8, 2015. In addition to receiving these assignments,
7 Movant also received the original promissory note, of which I maintain custody as
8 Movant’s. By the recording of these assignments, Movant perfected its security
9 interest in the Lisbon Property and the King Property.

10 b. National Loan Acquisitions acquired its interest in the Note,
11 these two trust deeds and assignment of rents by written assignment from
12 American West Bank, the successor-in-interest to Security Business Bank, the
13 original payee and beneficiary of the Note and deeds of trust.

14 c. Bay Vista Methodist Heights LLC (“Bay Vista”) is the original
15 borrower under the Note and the trustor in the Lisbon Property deed of trust. Bay
16 Vista did not pay the Note at maturity and Security Business Bank commenced a
17 judicial foreclosure action, after which the parties entered into a written settlement
18 agreement. As part of the settlement agreement, Bay Vista, through its wholly-
19 owned subsidiary Tierra del Rey LLC (“Debtor”), provided additional security for
20 payment of the Note by delivering to American West Bank, Security Business
21 Bank’s successor-in-interest, the King Property deed of trust (see Exhibit B). True
22 copies of this “Settlement and Mutual Release of All Claims” and related “Change
23 in Terms Agreement” are attached as “*Exhibit D*” and made part of this
24 declaration.

1 d. As further consideration to American West Bank, and to further
2 secure the Note, Bay Vista and Debtor executed and delivered to American West
3 Bank an absolute "Assignment of Rents," which was recorded in the Official
4 Records of San Diego California on July 24, 2012. A true copy of this Assignment
5 of Rents is attached as "*Exhibit E*" and made part of this declaration.

6 e. Bay Vista and Tierra del Rey have defaulted in their payment
7 obligations on the Note by failing to pay the installment of \$9,269.19 which was
8 due in November 2014 and all other installments due through August 2015. At
9 my request, Movant's loan servicer, Del Toro Loan Servicing, Inc., calculated the
10 total unpaid balance on the Note as of August 24, 2015. I personally re-checked
11 each of Del Toro's figures, made corrections where necessary, and instructed Del
12 Toro to use my figures in preparing the written "Beneficiary's Demand for
13 Payoff." This document, a true copy of which is attached as "*Exhibit F*" and
14 made part of this declaration, contains the figures which I personally verified and
15 instructed Del Toro to use. As of August 24, 2015, the payoff of the subject Note
16 is \$1,432,636.38.

17 f. Written demand was previously made on Bay Vista and Tierra
18 del Rey to cure these payment defaults; however, Bay Vista and Tierra del Rey
19 failed to do so.

20 g. On February 11, 2015, Movant's predecessor-in-interest
21 caused to be recorded in the Official Records of San Diego County, California, a
22 Notice of Default and Election to Sell Under Deed of Trust; a true copy of this
23 Notice is attached as "*Exhibit G*," and made part of this declaration. This Notice
24 contained the statement required by California Civil Code 2924(c), paragraph 1,
25 subdivision (b).

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and that I signed this declaration at San Diego, CA on August 27, 2015.

Declaration of Paul Taccone